

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1571 - HB 1942**

February 13, 2016

**SUMMARY OF BILL:** Authorizes any licensed auctioneer to auction up to five motor vehicles in a twelve-month period without being licensed as a motor vehicle dealer or holding a motor vehicle auction license if the sale of the motor vehicles is incidental to the sale at auction of other properties that are not consigned or purchased for auction.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. § 55-17-109 (d), the Tennessee Auctioneer Commission and the Tennessee Motor Vehicle Commission together regulate automobile auctions in Tennessee.
- Currently, except for the exemptions listed in Tenn. Code Ann. § 55-17-109(a)(2) regarding limited auctions of used motor vehicles, in order to auction motor vehicles in the state, you must hold a motor vehicle dealer license and acquire a motor vehicle auction license from the Motor Vehicle Commission. In addition, you must also hold a public automobile auctioneer license from the Tennessee Auctioneer Commission and have served as an auctioneer for a period of two years.
- The exemption provided in this legislation will not result in any decrease in the number of licenses issued by the Motor Vehicle Commission or the Tennessee Auctioneer Commission as it is unlikely that any individual would currently seek all the various licenses necessary to auction five or less cars per year.
- No increase in the number of cars sold or auctioned in the state; therefore, no significant impact to revenue collected by state or local government.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two year period. The Motor Vehicle Commission had surpluses of \$282,456 in FY13-14, \$618,571 in FY14-15, and a cumulative reserve balance of \$2,240,017 on June 30, 2015. The Tennessee Auctioneer Commission had surpluses of \$47,522 in FY13-14, \$84,511 in FY14-15, and a cumulative reserve balance of \$279,421 on June 30, 2015.

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## **IMPACT TO COMMERCE:**

### **NOT SIGNIFICANT**

Assumption:

- This will have no significant impact upon the number of cars auctioned in this state, as the consumer demand for vehicles through auction or sale is not impacted by this legislation; therefore, no significant impact to businesses in this state.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb